



Ask Evelyn Preston

Send your personal money questions to:

Evelyn Preston,
ActiveOver50 magazine,

P.O. Box 321209,
Los Gatos, CA 95032

or email:

Evelyn@activeover50.com

or fax to 408.871.1277.

Evelyn's new book,
"Memoirs of the Money Lady,"

is available at

www.money-lady.com.

Or call 650.494.7443.

Two Heads are Better Than One

In the bad old days of strict gender roles, the Chicago columnist and pundit, Sidney J. Harris, wrote, "Remember, you only know about one relationship—your own—and you only know half of that." Modern partnerships have come a long way via togetherness and sharing but often true equality lags in the area of finances. Time constraints, habit or laziness lock in routine: one spouse or partner enjoys long term strategizing; the other's stuck with endless bills and a muddled checkbook. However, for future peace of mind, a financial family affair works to everyone's advantage.

How can I persuade my spouse to include me in our financial life?

Prove that you're serious, knowledgeable and willing to participate. Request specific info vs. square one investment basics! Inch forward. Organize contact data of financial pros (agent, planner, broker, etc.), a list of liquid and long term assets, deeds/titles/powers of attorney/health directives. Offer to file account statements, track stock/mutual fund websites, verify credit card receipts. Tackling small chores can lead to sharing the load as well as having a say in saving/spending plans and decisions. Either rocking the boat (too pushy) or easily rebuffed (too timid) will keep you out of the loop!

What's the best way to handle Social Security payments if I'm going back to work?

Between the ages of 66 to 70, you can cash in on the little known "Claim and Suspend" Social Security provision in the Federal Retirement Program. This offers a substantial monthly raise (approximately 8% increase plus Cost of Living Adjustment), when you stop current payments and defer benefits until a second or later retirement—which also raises survivor benefits. There's no gain after 70, and anyone retired but younger than age 66 and returning to work is subjected to the IRS "earnings test." The longer you live, of course, the better it works!

Is Long Term Care Insurance really worth it?

Great question! Tough call! This highly individualized decision depends on age, health history, finances, family situation...and more. Choice of a policy depends on total costs, detailed provisions, performance of the insurance carrier...and more. One wrinkle rarely considered is the difficult trade-off between overly cautious spending of retirement assets for those without LTC who fear the worst vs. the peace of mind from having LTC in place. Coverage can loosen one's purse strings and lessen the scary "What if's..." then hoarding for nursing home health care. Very often, seniors over-save

and under-enjoy their money while only heirs reap the benefits of their parents' lifetime of saving. Definitely consult an expert in the field for a true cost/benefit analysis!

I know there are tax consequences converting a traditional IRA to a ROTH IRA. Plus, I'm older so is it still a good idea to convert to a ROTH?

Timing is everything! New rules lift income limit restrictions on converting traditional IRA assets to a tax-free-on-withdrawal ROTH IRA. Now that these higher conversion limits coincide with plummeting market values, the required taxes on these converted assets should prove lower as well. (Yes, you must pay

to change--just don't use IRA money!) And with future taxes almost guaranteed to rise, retirees of all ages should look hard and consider this leap to a ROTH.

Other strategies to cash in on conversion: A) The lower income limits for funding a ROTH remain the same but conversions for top income earners and those with large 401K/pension rollovers get an income limit boost. So first fund a traditional IRA, then convert maxi-dollars to a ROTH. B) A special tax deal on conversions allows stretched out tax payments for two years (2011, 2012), on 2010 conversions only. Confusing, yes. Worth pursuing, definitely.

Small Ad, **BIG Results**

"I Get One Call a Week"

- Lyn Pasqua, Delivered By Grace

Lyn Pasqua of Delivered By Grace runs a personalized escorted transportation service for seniors in the Bay Area. Her 1/12 page ad in ActiveOver50 magazine may be small but delivers big results. She's received over 50 calls in the past year resulting in repeat customers.

"The key is offering a quality service that people want at a fair price," said Lyn. "You also need to advertise more than once. It takes time to build awareness and sales for any business."

*ActiveOver50 magazine reaches over 150,000 older adults in print and online. For more information about advertising opportunities, contact Larry Hayes at larry@activeover50.com or call **408.921.5806**.*



Delivered By Grace

"After Dave's death, I heard that Hospice of the Valley offers grief support in the Community Grief and Counseling Center. When one thinks of hospice, one doesn't normally equate hospice with bereavement services. Participating in the Partner Loss support groups, I found camaraderie and that I was not alone in the grief experience."

Community Grief and Counseling Center

For those dealing with grief and loss, the Community Grief and Counseling Center at Hospice of the Valley provides families and individuals with one-on-one counseling and loss-specific support groups to adults, teens and children

Hospice of the Valley | 4850 Union Avenue, San Jose, CA 95124
408.559.5600 | hospicevalley.org

